

The Commonwealth of Massachusetts
**EXECUTIVE OFFICE OF HOUSING AND ECONOMIC
DEVELOPMENT**

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APRIL ANDERSON LAMOUREUX
PERMIT OMBUDSMAN & DIRECTOR

December 22, 2010

The Honorable Robert DeLeo
Office of the House Speaker
State House, Room 356
Boston, MA 02133

Dear Speaker DeLeo:

In accordance with *Chapter 205 of the Acts of 2006*, I am writing to provide you with an annual report for the Massachusetts Permit Regulatory Office (MPRO).

OVERVIEW

MPRO was created by an Act of the Legislature in 2006 to foster job creation and business development by assisting with permitting and regulation. The Office works in partnership with the Massachusetts Office of Business Development, MassDevelopment, Regional Planning Agencies, Massachusetts Municipal Association, MassEcon (formerly known as the Massachusetts Alliance for Economic Development), National Association of Office and Industrial Properties Massachusetts Chapter (NAIOP), the Smart Growth Alliance, and a variety of other local, state and federal agencies to accomplish its core mission – to streamline and expedite permitting to support job creation in the Commonwealth.

Regardless of project variables such as location, project type, or funding source, there are certain necessities that apply to every successful development project in the Commonwealth and they are prior planning, transparent permitting, and adequate infrastructure. MPRO works at the intersection of these three subject areas to support municipal planning efforts, encourage transparent and streamlined state and local permitting, and to support the construction of public infrastructure where necessary to achieve state and local growth objectives. I am pleased to have this opportunity outline our strategy for addressing these three subject areas and furthering state goals and objectives.

PLANNING

Today in Massachusetts, many communities elect to make major land use and planning decisions during the permitting process. I believe that these communities will achieve better results by addressing major land use issues in advance of the permitting process, and allowing the private sector to respond appropriately to the

community's interests. In order to achieve proper planning, MPRO has undertaken the following projects and programs that relate to land use.

Growth Districts Initiative

The major impediment to streamlined permitting in Massachusetts has been a failure to plan ahead for new growth and development, at both state and local levels. Zoning and other land use regulations, as well as investments in public infrastructure, do not reflect adequate planning.

By our failing to plan ahead, the important questions of "what should be built", "where should it be built", "how it should be built" and "what infrastructure do we need to support it" have been left to be discussed and debated in the permitting process for individual projects. This is a losing proposition for all concerned. From the public perspective, having such discussions in response to particular permit applications will inevitably make them seem driven by the timing and objectives of private developers. From the perspective of the project proponent, having such discussions within the permitting process makes it unlikely that permits can be issued in a timely and predictable manner.

Under its "Growth Districts Initiative", EOHED partners with municipalities that have identified one or more areas within their communities as being appropriate locations for significant new growth, whether commercial, residential or mixed-use. Within those identified "growth districts", EOHED will work with the community and property owners to make the district truly "development ready" with respect to local permitting, state permitting, site preparation (including brownfields remediation), infrastructure improvements, and marketing. The objective will be to create a level of "development readiness" within each of these growth districts comparable to that now available at Devens, a location proven to be highly attractive to new development and to be truly competitive at a national and international level.

To date, we have identified 20 Growth Districts throughout the state that offer varying levels of development readiness. The list of these Growth Districts is attached for your reference. We are grateful for the legislature's support of a recent bond reauthorization for the Growth Districts Initiative Grant Program that allows us to make targeted investments within Growth Districts to increase the level of development readiness available in each location. It is important to note that 15 of the 17 Growth Districts Grants issued to date have been awarded to Gateway Cities.

Through this program, we have created an inventory of millions of square feet available for new commercial development in the Commonwealth. We look forward to continue our work on this valuable program.

Zoning Reform

MPRO and EOHED coordinated a Zoning Reform Task Force to examine the current zoning and planning system in the State and work with the Legislature to develop amendments that would improve zoning and planning in Massachusetts. The Task Force recommended legislation that was filed for consideration during the *2009-2010 Legislative Session* and ultimately reported favorably by the Joint Committee on Municipalities and Regional Governments with some edits. Zoning Reform legislation remains a priority for MPRO and we look forward to working with you, your colleagues in the legislature, and other interest groups to see that zoning reform legislation has the greatest chance for success in the upcoming session.

Regional Planning

Using the South Coast Rail planning effort as a model, MPRO has initiated regional planning exercises that throughout the state. For example, the 495/MetroWest region of the state has seen tremendous success in economic development and job creation over the past thirty years. There is every indication the region can continue its success in economic development and job creation for the next twenty years. In order to ensure that success, however, significant steps need to be taken to make the next twenty years of economic development more sustainable for the region.

We have partnered with the 495/MetroWest Corridor Partnership, the Central Massachusetts Regional Planning Commission, the Metropolitan Area Planning Council and the MetroWest Growth Management Committee in a development compact for this region. The compact is intended to create a shared framework for developing state, regional and local strategies for the growth, development and land preservation in the 36 cities and towns within the study area. The project is currently underway and we look forward to its results.

PERMITTING

The Patrick Administration is committed to government at the speed of business and we have placed a significant emphasis on the importance of transparent and expedited permitting. We are proud of state agencies such as the Department of Environmental Protection, which now issues 97% of all permits within 180 days, and the Massachusetts Environmental Permitting Agency (MEPA), which has introduced a pilot Integrated MEPA and Permitting Review to streamline the review process for projects that provide significant public policy benefit. I believe there are good reasons to believe that our state permitting processes will continue to become more predictable and timely under the Patrick Administration.

In order to support transparent permitting at all levels of government, MPRO works closely with permit issuing agencies throughout all levels of government including local, state and federal agencies. We have undertaken the following projects and implemented the following programs that relate to streamlined permitting.

Direct Project Assistance

In order to create a more business-friendly culture in the Commonwealth, MPRO serves as the one-stop shop for anyone with concerns about permitting and regulation, including project proponents, municipalities and businesses. We have assisted hundreds of project proponents to navigate the state and local permitting and regulatory processes, and this will continue to be a cornerstone of our services in 2011.

Chapter 43D: Expedited Local Permitting

The State Permitting Ombudsman serves as the Chair of the Interagency Permitting Board, which administers the Chapter 43D Expedited Permitting Program for municipalities. The Board meets monthly and is represented by nine state agencies and MassDevelopment.

The Chapter 43D program enables cities and towns to identify Priority Development Sites, pre-zoned for industrial, commercial or mixed use development, within which the municipality will render all local permitting decisions in 180 days or less. The Interagency Permitting Board has approved one or more Priority Development Sites in 81 municipalities and 161 Priority Development Sites statewide.

In FY10, The Chapter 43D Grant Program was eliminated from the state budget and therefore no direct grants were distributed in FY10 or FY11 however our technical partners such as MassDevelopment and the regional planning agencies have provided ongoing support to current and prospective Chapter 43D communities. In a recent survey of the 81 communities that have opted into

this law, the overwhelming majority expressed an interest in identifying one or two more 43D Priority Development Sites in the future.

Chapter 43E: Streamlined State Permitting

As part of Chapter 240 of the Acts of 2010, the legislature created Chapter 43E: Expedited State Permitting that provides 6-month permitting for development projects that are located on Chapter 43D Priority Development Sites and within designated Growth Districts. On behalf of EOHED, MPRO is working with our fellow state agencies to draft regulations to implement this chapter.

Permit Extension Act FAQ

The Permit Extension Act was created by Section 173 of Chapter 240 of the Acts of 2010 to promote job growth and long-term economic recovery by establishing an automatic two-year extension to certain permits and licenses concerning the use or development of real property. The Act applies to regulatory approvals issued by local, regional or state entities that concern the use or development of real property.

In order to effectuate smooth and transparent communications on the Permit Extension Act, MPRO call together all state permit issuing agencies to discuss the Act and agree on a common process for implementation. The coordination resulted in a Frequently Asked Questions document to help the public to understand how this Act affects permits issued by state agencies. The FAQ is available at www.mass.gov/permitextension and a copy is enclosed.

Regulations

MPRO continues to work closely with our fellow state agencies to see that permitting continues to improve under the Patrick Administration and regulatory burdens are minimized. We are actively engaged in a variety of interagency task forces that relate to permitting and regulation and we intend to continue that work in 2011.

Massachusetts Permitting Collaborative

The Massachusetts Permitting Collaborative advises proponents of new development projects on how best to navigate the permitting and regulatory process in Massachusetts. The Permitting Collaborative brings together state agencies and project proponents for a pre-application conference regarding the permitting needs of individual projects throughout the Commonwealth. This effort enables projects to move more quickly through the review process and toward job creation.

While working with the Collaborative does not bypass the state's permitting and regulatory review procedures, an early discussion with key state agencies allows project proponents to consider agency guidelines, criteria and recommendations prior to filing an application. This early level of collaboration has been regarded as one of the most effective ways of ensuring that project proponents and agencies have an opportunity to jointly address potential issues early, avoid delays, and move more quickly towards development and job creation. We look forward to continue offering this service to developers and business in the Commonwealth.

Best Practices Guide to Streamlined Local Permitting

In late 2008, the Office launched the *Best Practices Guide to Streamlined Local Permitting* as produced by the Massachusetts Association of Regional Planning Agencies. This is a resource for all cities and towns that are seeking information about best practices for local permitting and regulation, and it provides a variety of sample documents, bylaws and guidebooks that are in practice in Massachusetts communities today.

In a recent survey of Chapter 43D communities, over 70% of communities identified this guide as a helpful resource. MPRO has conducted a data collection exercise to identify the best practices that are currently in use throughout the state and those that are planned for implementation in the future. We are working with the Massachusetts Association of Regional Planning Agencies to offer municipal technical assistance and to encourage information sharing among communities, with the goal of encouraging further implementation of the best practices throughout the Commonwealth.

INFRASTRUCTURE

MPRO has been actively managing the Growth Districts Initiative Grant Program and the MORE Jobs Grant Program for the past four years. As part of that effort, we have made strategic investments in infrastructure that have leveraged private sector job creation in the near term, or have set the stage for economic recovery in the longer term.

MassWorks Infrastructure Program

In September 2010, the administration announced the creation of The MassWorks Infrastructure Program, providing a one-stop shop for municipalities and other eligible applicants seeking public infrastructure funding to support economic and community development.

The Program represents an administrative consolidation of six grant programs:

- Public Works Economic Development (PWED) Grants
- Community Development Action Grant (CDAG)
- Growth District Initiative (GDI) Grants
- Massachusetts Opportunity Relocation and Expansion Program (MORE)
- Small Town Rural Assistance Program (STRAP)
- Transit Oriented Development (TOD) Grant Program

The MassWorks Infrastructure Program will be centrally administered by the Executive Office of Housing and Economic Development, in cooperation with the Department of Transportation (MassDOT) and Executive Office for Administration and Finance (ANF). The Program provides grant funding for publicly owned infrastructure including, but not limited to sewers, utility extensions, streets, roads, curb-cuts, parking facilities, site preparation, demolition, pedestrian walkways, streetscape, and water treatment systems.

For the past two fiscal years, MPRO has coordinated the individual program managers for each of the six programs highlighted above to meet regularly, coordinate reviews, and share information on a pilot program basis. That exercise revealed that there is significant value in centralizing the programs and streamlining the grant process. We determined that a formal consolidation of the six programs would reduce burdens on municipalities while also improving our efficiencies.

The MassWorks Infrastructure Program will reduce the burden on municipalities. Rather than having to “shop around” to different agencies at different times trying to piece together enough resources to advance their objectives, cities and towns will now have a single entry point for state economic development grants, with a single application, and a single solicitation schedule. The streamlining will reduce municipal grant management burdens as well. The MassWorks Infrastructure Program will provide a single draw schedule, single set of grant rules, and a single set of reporting requirements.

The Program will improve government efficiency. Each of these programs is designed to support job creation and economic and community development, but the programs were administered by different agencies, in different ways, at different times. Consolidating review and evaluation of these programs under the Executive Office of Housing & Economic Development enables the state to ensure that these grants meet their intended purpose to cause an immediate impact on job creation and development in the state. By streamlining the application and review process, the MassWorks Infrastructure Program will reduce duplication, improve accountability, and provide for the most effective management of state resources.

As we transition to a single program, we will engage in a public process that includes information sessions, publication of draft guidelines, and the collection of public comment. With the help of the regional planning agencies, MPRO has already conducted preliminary information sessions from the Berkshires to Cape Cod to inform municipalities of our objectives and to request their participation in the process. I have been met with enthusiasm in every region of the Commonwealth and working with MassDOT and ANF, we will continue our efforts to engage as many stakeholders as possible in our transition process. I look forward to working with you and other members of the legislature to ensure that your objectives in creating these programs are met and that our efforts support as many public infrastructure projects as is feasible. More information on The MassWorks Infrastructure Program is available at www.mass.gov/eohed/infrastructure.

AMERICAN RECOVERY & REINVESTMENT ACT

MPRO is charged with managing the Recovery Zone Bond Programs, authorized through the American Recovery and Reinvestment Act (ARRA), supporting both public and private development efforts by offering favorable borrowing rates for projects within areas designated as “Recovery Zones”.

The state’s Recovery Zone Bond allocation is split between two programs: Economic Development and Private Facilities, totaling \$222 million and \$334 million respectively. Recovery Zone Economic Development Bonds are taxable bonds that provide 45% interest forgiveness for municipalities to bond for public infrastructure improvements, site remediation or site acquisition to support economic development. Recovery Zone Facilities Bonds are tax-exempt and available to private entities for the construction, renovation and reconstruction of privately held facilities that will create new jobs. All bonds must be issued under this program by December 31, 2010, and the program is quickly coming to a close.

The Recovery Zone Facility Bonds have been very popular and effective in spurring new investment in the Commonwealth. As of the filing of this report, \$248,890,762 in Recovery Zone Facility Bonds have been awarded, 8 projects have closed totaling approximately \$67,200,000, and 7 additional projects are expected to close by December 31, 2010.

Despite our best efforts, the Recovery Zone Economic Development Bonds were not as popular due to the fact that municipalities did not have the capacity to assume new borrowing in current economic conditions. However, the Commonwealth was able to use the borrowing capacity for the Commonwealth Transportation Fund Revenue Bonds (Accelerated Bridge Program). For more information on the program, please visit www.mass.gov/recoverybonds.

WEBSITE

The MPRO website is available at www.mass.gov/mpro and provides up-to-date information on all MPRO activities. The Chapter 43D link offers the list of communities that have opted-in to the program, the full schedule of Interagency Permitting Board meetings, applications and supporting documents, and

information about our technical assistance partners. Additionally, the website hosts the Best Practices Model for Streamlined Local Permitting, created by the Massachusetts Association for Regional Planning Agencies, and a variety of other local planning, zoning and business development tools.

STAFF

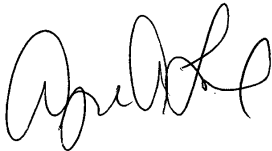
The Massachusetts Permit Regulatory Office is currently staffed by April Anderson Lamoureux who serves as the State Permit Ombudsman/Director, Robert Mitchell who serves as Special Assistant for Planning, Nayenday Thurman who serves as Infrastructure Program Manager, and Victoria Maguire who serves as Project Manager.

BUDGET

The MPRO budget was eliminated in FY10 however a MassDevelopment Trust has been established to fund the Office in FY11.

I am hopeful that you will agree that our efforts have been prosperous and I ask for your continued support of the Massachusetts Permit Regulatory Office. I welcome the opportunity to meet with you to discuss any questions, comments or concerns you may have with this report or the Office.

Best wishes for a Happy New Year,

A handwritten signature in black ink, appearing to read 'April', with a stylized flourish at the end.

April Anderson Lamoureux
State Permit Ombudsman

Enclosures:
Attachment A – Enabling Statute

ATTACHMENT A – ENABLING STATUTE

CHAPTER 205 OF THE ACTS OF 2006

SECTION 4. Chapter 23A of the General Laws is hereby amended by striking out section 3H, as so appearing, and inserting in place thereof the following section:—

Section 3H. The governor shall appoint the director of the Massachusetts permit regulatory office within the executive office of economic development. The director shall have experience with permitting and business development. The director shall serve as the state permit ombudsman to new and expanding businesses, to provide one-stop licensing for businesses and development in order to streamline and expedite the process of obtaining state licenses, permits, state certificates, state approvals, and other requirements of law, but not including divisions of the state secretary's office. The ombudsman shall facilitate communication between the municipality and state agencies. The Massachusetts permit regulatory office shall consult with each regional office of the Massachusetts office of business development and each regional office of the Massachusetts Development Financing Agency, in order to better serve local businesses.

There shall be a permitting specialist within each of the 5 regional offices of the Massachusetts Development Finance Agency. It shall be the responsibility of the specialist to work with new and existing businesses to assist in their selection, application, and finalizing of permits, local approvals, licensing and regulations. The specialists shall communicate with the regional planning agencies and the municipal officials responsible for local review procedures, to determine the municipal perspective on the proposed project.

The ombudsman shall file an annual report with the house and senate committees on ways and means by January 1 on the activities of the Massachusetts permit regulatory office and the interagency permitting board, including legislative recommendations on business development and expansion efforts.